

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:	)
	) Chapter 11
	)
FTX TRADING LTD., <i>et al.</i> , <sup>1</sup>	) Case No. 22-11068 (JTD)
	)
	) (Jointly Administered)
Debtors.	)
	) Hearing: September 13, 2023 at 1:00 pm (ET)
	) Obj. Deadline: July 5, 2023 at 4:00 pm (ET) <sup>2</sup>

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**SUPPLEMENT TO THE SECOND INTERIM FEE APPLICATION OF FTI  
CONSULTING, INC., FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR  
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
FEBRUARY 1, 2023 THROUGH APRIL 30, 2023**

Name of Applicant:	FTI Consulting, Inc.
Authorized to provide professional services to:	Official Committee of Unsecured Creditors
Date of Retention:	Order entered February 15, 2023, effective as of December 22, 2022 [Docket No. 730]
Period for which compensation and reimbursement are sought:	February 1, 2023, through April 30, 2023 (the “Application Period”)
Amount of compensation sought as actual, reasonable, and necessary:	\$8,188,298.40
Amount of expense reimbursement sought as actual, reasonable, and necessary:	\$8,403.77
Rates are higher than those approved or	

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<sup>1</sup> The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

<sup>2</sup> The objection deadline set forth herein is for all parties other than the Fee Examiner and the U.S. Trustee (each as defined in the Fee Examiner Order), whose objection deadline shall be governed by that certain *Order (I) Appointing Fee Examiner and (II) Establishing Procedures for Consideration of Requested Fee Compensation and Reimbursement of Expenses* [Docket No. 834] (the “Fee Examiner Order”).

disclosed at retention? Yes <sup>3</sup>

Compensation sought in this application already paid pursuant to a monthly compensation order but not yet allowed: \$1,886,378.32

Expenses sought in this application already paid pursuant to a monthly compensation order but not yet allowed: \$5,261.14

Number of professionals included in this application: 80

If applicable, number of professionals in this application not included in staffing plan approved by client: N/A

If applicable, difference between fees budgeted and compensation sought for this period: N/A

Number of professionals billing fewer than 15 hours to the case during this period: 23

This is an:  monthly  interim  final application.

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<sup>3</sup> Please refer to the Supplemental Declaration of FTI Consulting filed at D.I. 1132 for more information.

**COMPENSATION BY TIMEKEEPER**

<b>Professional</b>	<b>Position</b>	<b>Specialty</b>	<b>Billing Rate<sup>4</sup></b>	<b>Total Hours</b>	<b>Total Fees</b>
Chesley, Rachel	Sr Managing Dir	Communications	\$ 1,075	17.5	\$ 18,812.50
Thalassinos, Angelo	Managing Dir	Communications	875	45.8	40,075.00
Baldo, Diana	Sr Consultant	Communications	525	117.9	61,897.50
Narayan, Neha	Consultant	Communications	400	7.9	3,160.00
McNew, Steven	Sr Managing Dir	Cryptocurrency	1,200	45.1	54,120.00
Carter, Michael	Sr Managing Dir	Cryptocurrency	1,200	88.1	105,720.00
de Brignac, Jessica	Managing Dir	Cryptocurrency	910	238.0	216,580.00
Sheridan, Jeremy	Managing Dir	Cryptocurrency	910	18.3	16,653.00
Mehta, Ajay	Director	Cryptocurrency	809	13.6	11,002.40
Leonaitis, Isabelle	Sr Consultant	Cryptocurrency	595	272.6	162,197.00
Vazquez Ortiz, Fredrix	Sr Consultant	Cryptocurrency	595	77.8	46,291.00
Spencer, Emma	Sr Consultant	Cryptocurrency	595	4.5	2,677.50
Kamran, Kainat	Consultant	Cryptocurrency	440	108.8	47,872.00
Renner, Todd	Sr Managing Dir	Cybersecurity	1,045	28.5	29,782.50
Pluhar, Christopher	Senior Director	Cybersecurity	855	55.7	47,623.50
Maddox, Matthew	Director	Cybersecurity	785	3.3	2,590.50
Burke, Erin	Director	Cybersecurity	785	105.4	82,739.00
Van den Heuvel, Alexandra	Consultant	Cybersecurity	530	7.0	3,710.00
Goldfischer, Jacob	Consultant	Cybersecurity	530	2.9	1,537.00
Dack, Carter	Consultant	Cybersecurity	475	107.7	51,157.50
Rivera JR, Marco	Consultant	Cybersecurity	475	2.2	1,045.00
O'Malley, Colin	Consultant	Cybersecurity	435	6.0	2,607.00
Busen, Michael	Sr Managing Dir	Data & Analytics	1,325	36.5	48,362.50
Sheehan, Drew	Sr Managing Dir	Data & Analytics	1,325	2.9	3,842.50
Vural, Ozgur	Managing Dir	Data & Analytics	1,055	27.0	28,485.00
Garofalo, Michael	Senior Director	Data & Analytics	935	38.7	36,184.50
Kelly, Anthony	Director	Data & Analytics	835	14.0	11,690.00
Jordan, Mason	Sr Consultant	Data & Analytics	635	147.6	93,726.00
Kimche, Livia	Consultant	Data & Analytics	475	152.9	72,627.50
Risler, Franck	Sr Managing Dir	Derivatives	1,621	425.2	689,186.50
Rousskikh, Valeri	Managing Dir	Derivatives	1,134	528.9	599,713.00
Diodato, Michael	Managing Dir	Derivatives	1,096	408.7	448,104.50
Kubali, Volkan	Managing Dir	Derivatives	1,093	424.3	463,712.00
Majkowski, Stephanie	Senior Director	Derivatives	1,089	186.2	202,822.00
Langer, Cameron	Director	Derivatives	920	233.8	215,096.00
To, Vinh	Sr Consultant	Derivatives	730	136.6	99,718.00
DeVito, Kathryn	Sr Managing Dir	Digital & Insights	1,075	1.0	1,075.00
Mehan, Zachary	Managing Dir	Digital & Insights	875	8.6	7,525.00
Izen, Alex	Senior Director	Digital & Insights	652	25.5	16,615.00
Gardner, Lindsay	Consultant	Digital & Insights	400	2.5	1,000.00

<sup>4</sup> Due to promotions and rate increases made in the ordinary course of FTI's business, certain professionals' billable rates increased during the Application Period as disclosed in Docket #1132. The rates above are each professional's blended rate for the Application Period.

<b>Professional</b>	<b>Position</b>	<b>Specialty</b>	<b>Billing Rate<sup>4</sup></b>	<b>Total Hours</b>	<b>Total Fees</b>
Greenblatt, Matthew	Sr Managing Dir	Forensic Accounting	1,325	97.9	129,717.50
Kahouaty, Suren	Managing Dir	Forensic Accounting	1,025	71.4	73,185.00
Baer, Laura	Senior Director	Forensic Accounting	975	234.9	229,027.50
Dougherty, Andrew	Director	Forensic Accounting	925	49.7	45,972.50
Fiorillo, Julianna	Director	Forensic Accounting	835	188.5	157,397.50
Lensing, Jacob	Director	Forensic Accounting	825	66.8	55,110.00
Anastasiou, Anastis	Director	Forensic Accounting	785	273.5	214,697.50
Steven, Kira	Director	Forensic Accounting	778	384.5	299,238.00
Famiglietti, Tyler	Sr Consultant	Forensic Accounting	695	253.4	176,113.00
Marsella, Jenna	Sr Consultant	Forensic Accounting	592	189.1	111,869.00
Kwong, Nelson	Sr Consultant	Forensic Accounting	325	18.8	6,110.00
Rothschild, Elijah	Consultant	Forensic Accounting	475	482.4	229,140.00
Reid, Matthew	Consultant	Forensic Accounting	475	275.3	130,767.50
Stillman, Beulah	Consultant	Forensic Accounting	475	242.1	114,997.50
Shaik, Ismail	Consultant	Forensic Accounting	475	170.4	80,940.00
Salm, Andrew	Consultant	Forensic Accounting	475	83.9	39,852.50
Williams, David	Sr Managing Dir	Investigative Services	1,125	2.7	3,037.50
Charles, Sarah	Senior Director	Investigative Services	935	61.9	57,876.50
Butterfield, Linda	Senior Director	Investigative Services	925	1.8	1,665.00
Kwok, Kristine	Director	Investigative Services	580	5.0	2,900.00
Vellios, Christopher	Sr Consultant	Investigative Services	606	24.2	14,671.50
Belsler, Noah	Consultant	Investigative Services	530	41.9	22,207.00
Silverstein, Orly	Consultant	Investigative Services	530	1.7	901.00
Drobnyk, Joshua	Managing Dir	Public Affairs	875	0.5	437.50
Scialabba, Meredith	Senior Director	Public Affairs	750	8.6	6,450.00
Sayers, Caroline	Sr Consultant	Public Affairs	525	20.7	10,867.50
Simms, Steven	Sr Managing Dir	Restructuring	1,495	124.0	185,380.00
Diaz, Matthew	Sr Managing Dir	Restructuring	1,325	156.1	206,832.50
Cordasco, Michael	Sr Managing Dir	Restructuring	1,325	57.9	76,717.50
Joffe, Steven	Sr Managing Dir	Restructuring	1,325	9.8	12,985.00
Ng, William	Sr Managing Dir	Restructuring	1,125	52.0	58,500.00
Jones III, Gilbert	Managing Dir	Restructuring	1,025	3.5	3,587.50
Bromberg, Brian	Managing Dir	Restructuring	978	540.4	528,696.00
Gray, Michael	Sr Consultant	Restructuring	695	294.4	204,608.00
Dawson, Maxwell	Sr Consultant	Restructuring	555	389.1	215,925.00
Sveen, Andrew	Consultant	Restructuring	475	102.3	48,592.50
Hellmund-Mora, Marili	Manager	Restructuring	325	1.5	487.50
Balcom, James	Sr Managing Dir	Risk Management	1,325	11.7	15,502.50
Feldman, Paul	Senior Director	Risk Management	955	156.7	149,648.50
Pajazetovic, Mustafa	Director	Risk Management	885	247.0	218,595.00
<b>Subtotal</b>				<b>9,573.5</b>	<b>\$ 8,190,540.90</b>
Less: 50% Non-Working Travel Time				(2,242.50)	
<b>GRAND TOTAL</b>				<b>9,573.5</b>	<b>\$ 8,188,298.40</b>

<sup>4</sup> Due to promotions and rate increases made in the ordinary course of FTI's business, certain professionals' billable rates increased during the Application Period as disclosed in Docket #1132. The rates above are each professional's blended rate for the Application Period.

**COMPENSATION BY PROJECT CATEGORY**

<b>Task Code</b>	<b>Task Description</b>	<b>Total Hours</b>	<b>Total Fees</b>
1	Current Operating Results & Events	24.7	\$ 26,145.50
2	Cash & Liquidity Analysis	411.1	355,744.00
6	Asset Sales	8.7	10,707.00
9	Analysis of Employee Comp Programs	129.6	120,529.00
10	Analysis of Tax Issues	16.9	21,058.50
11	Prepare for and Attend Court Hearings	9.8	9,381.50
12	Analysis of SOFAs & SOALs	105.7	86,905.00
13	Analysis of Other Miscellaneous Motions	84.4	76,726.00
14	Analysis of Claims/Liabilities Subject to Compromise	241.6	217,215.50
16	Analysis, Negotiate and Form of POR & DS	85.7	67,275.50
18	Potential Avoidance Actions & Litigation	4,513.2	3,377,980.00
19	Case Management	25.0	20,573.50
20	General Meetings with Debtor & Debtors' Professionals	11.9	14,737.50
21	General Meetings with UCC and UCC Counsel	132.8	180,052.00
22	Meetings with Other Parties	1.5	1,330.50
23	Firm Retention	39.8	47,770.50
24	Preparation of Fee Application	252.8	147,435.00
25	Travel Time	3.0	4,485.00
26	Cryptocurrency/Digital Assets Issues	2,216.1	2,250,259.70
27	Communications Planning & Execution	256.2	169,735.50
28	Cybersecurity Issues and Analysis	316.2	222,496.50
29	Exchange Restart	686.8	761,997.70
<b>Subtotal</b>		<b>9,573.5</b>	<b>\$ 8,190,540.90</b>
Less: 50% Non-Working Travel Time			(2,242.50)
<b>GRAND TOTAL</b>		<b>9,573.5</b>	<b>\$ 8,188,298.40</b>

**SUMMARY OF PROFESSIONALS INVOLVED**

1. Due to the wide breadth of services these cases require, FTI has deployed a team of professionals with a commensurately wide field of expertise. FTI has utilized a specialty services structure to streamline the activities of the team. These services are divided into certain specialties into which the various professionals fall and select services each specialty provided during the Application Period are detailed hereinbelow.
2. The Communications team generally focuses on the forward-facing aspects of media management including managing the web site, twitter feed, press releases, media management and handling inquiries from creditors.
3. FTI's Cryptocurrency team monitors and assesses the Debtors' crypto portfolio and plays a pivotal role in assessing the crypto portfolio management framework. Furthermore, the Cryptocurrency team works closely with the Derivatives team regarding analysis of a potential exchange restart, providing expertise from the perspective of management and tracing of cryptocurrency holdings. The team also assists with the assessment of prepetition cryptocurrency transfers in the context of investigating possible causes of action.
4. FTI's Cybersecurity team has researched the pre petition hacking events of the Debtors' exchange, which included: researching the software infrastructure, preparing a timeline of events, analyzing internal communications, analyzing supplemental documents provided in connection with the hacks, and reporting on the status of the investigation to the Committee. Additionally, the Cybersecurity team assists with the development of a cybersecurity proposal relating to the proposed restart of the Debtors' exchange, to mitigate the risk of similar cyberattacks occurring again in a restarted exchange.
5. The Data & Analytics team is conducting a detailed review and analysis of certain exchange data. Furthermore, the team provides support to several other teams in this area,

including the Forensic Accounting and Restructuring teams, by manipulating big data into a more actionable and readable format. In many cases, the datasets generated as part of the response to the Committee's diligence requests consist of several million lines.

6. FTI's Derivatives team is focused on evaluating the potential restart of the Debtors' exchange, including analysis of such an exchange's competitive position and approach to risk. The Derivatives team has also reviewed customer claims and potential coin valuation frameworks and prepared a coin monetization strategy to maximize value and mitigate risk. Furthermore, in the Application Period, the Derivatives team has conducted detailed analysis of the Debtors' pre-petition operations and risk management systems.

7. FTI's Digital & Insights team handles the more technical side of external communications, including digital media monitoring and development of the Committee's website to ensure that creditors and stakeholders are kept up to date.

8. FTI's Forensic Accounting team reviews the hundreds of thousands of documents produced by the Debtors in connection with a variety of investigative issues. Such issues include analysis of potential causes of action, investigation of third parties, review of donations, accounting of transactions made in the 90-day period prior to the Petition Date, and assessment of the Debtors' investments and cash activity and accounting data.

9. FTI's Investigative Services team investigates specific parties related to investments and third-party banks, as well as their relationship to the Debtors. The Investigative Services team evaluates the Debtor entities' ownership structure, conducts research on certain key individuals in this structure, and reviews statements made by these key members to the market to evaluate their validity.

10. FTI's Public Affairs team researches and provides policy updates to apprise the Committee and its advisors with any legislative or public policy updates relating to cryptocurrency that may impact the Debtors' reorganization efforts.

11. FTI's Restructuring team has analyzed and negotiated the Debtors' proposed KERP and KEIP, performed diligence and summary analysis on the Debtors' SOFA/SOALs, and continues to monitor the Debtors' liquidity position and cash flow forecasts. Furthermore, the Restructuring team is heavily involved with draft plan and disclosure frameworks and prepare related recovery analyses under potential plan scenarios: recovery analyses which were started during the Application Period.

12. The Risk Management team collaborates with the Derivatives team to evaluate the potential restart of the Debtors' exchange, including analysis of such an exchange's competitive position and approach to risk.

## **SUMMARY OF FEES**

13. The total number of hours expended by FTI professionals and paraprofessionals in performing services for the Committee during the Application Period was 9,573.5 hours. Pursuant to the Retention Order, FTI is entitled to monthly compensation for its services provided to the Committee at its current hourly rates, plus reimbursement of necessary out of pocket expenses. The following paragraphs describe the primary services rendered by FTI during the Application Period.

### ***Code 2 – Cash & Liquidity Analysis (411.1 hours)***

14. During the Application Period, FTI monitored the Debtors' liquidity positions and analyzed the Debtors' use of cash. Time in this task code involved analyzing the Debtors' 13-week cash flow forecasts and weekly budget-to-actual cash flow reporting. Additionally, FTI participated in weekly calls with A&M to understand key assumptions of the cash flow forecasts and explanations behind budget to actual variances. In addition to the foregoing, FTI prepared periodic reports for the Committee regarding the Debtors' actual and projected liquidity balances and material changes across their cash forecasts.

15. During the Application Period, FTI also prepared detailed proposals regarding the maximization of yield on the Debtors' cash holdings. This included assessment of the then-current interest rate environment, alternative treasury investments, implied yield on various portfolio allocations, related risks, and other analysis relating to cash management optionality. FTI also assessed lending alternatives considering banking distress, with the aim of providing recommendations on diversification and reducing risk associated with the Debtors' cash holdings.

### ***Code 18 – Potential Avoidance Actions and Litigation (4,513.2 hours)***

16. During the Application Period, FTI continued its investigation into the potential causes of action against various parties. This included detailed review of related filings and documents,

as well as analysis of thousands of documents produced by the Debtors as part of informal discovery requests. FTI prepared categorization, cleaning, and consolidation analyses of the documents provided by the Debtors to facilitate more efficient review and supplemented these documents with additional analysis of the social media accounts of certain key pre-petition personnel. As part of its diligence, FTI has reviewed statements made by insiders, both internally and publicly, to identify potential preferential treatment to entities related to the Debtors and evaluate disclosures of key changes to the Debtors' operations.

17. FTI continued its detailed analysis regarding risk management of the pre-petition Debtors, including review of litigation documents, correspondence between former directors and officers of the Debtors, and risk policy documents. FTI assessed internal risk management and liquidation models to assess the effectiveness of these policies and their implementation in the exchange, and leveraged both comparable market models and practical risk management principles to evaluate the Debtors' practices.

18. FTI also worked with the Debtors' advisors on analysis of transfers made during the 90-day preference period. FTI performed forensic accounting, detailed asset tracing, and analysis of potential defenses and offsets to any preference actions the Debtors bring. In addition, FTI has conducted detailed analysis and review of certain proof of claim forms, and the supporting diligence, that the Debtors have brought in adversary proceedings with respect to certain preference actions.

***Code 21 – General Meetings with UCC and UCC Counsel (132.8 hours)***

19. During the Application Period, FTI participated in meetings with the Committee and its advisors. In general, the entries in this task code correspond to weekly standing Committee and advisor calls. The agendas of these calls vary widely and are based on the latest case developments and deliverables. The Committee calls are FTI's primary means of communicating important

presentations and findings to the Committee, and the Committee advisor calls are key for the advisors to prioritize, strategize, and coordinate work streams among professionals.

***Code 26 – Cryptocurrency / Digital Assets Issues (2,216.1 hours)***

20. During the Application Period, FTI performed extensive cryptocurrency asset tracing and wallet validation analysis. FTI leveraged both on-chain and off-chain assessments to ensure the accuracy of information regarding the Debtors' digital assets. Time in this task code also relates to the preparation of detailed presentations for the Committee regarding these issues as well as period updates to the state of the Debtors' portfolio of cryptocurrency assets.

21. FTI also reviewed investments in crypto-native companies and conducted ongoing reviews of the asset custody process, ensuring assets were swept efficiently. Additionally, FTI prepared analysis of digital assets and third-party exchange information for the Committee and worked with the Debtors to understand the token detail in reports received as a supplement to the Debtors' presentations. FTI led discussions with the Committee and its advisors on specific digital asset risks and monetization options.

22. During the Application Period, FTI also prepared recovery analyses to certain asset values that would be realized if the Debtors were to monetize their holdings in certain tokens.

23. Time in this task code during the Application Period also included a detailed review and proposal of a coin management strategy. The coin management proposal included recommendations related to trading and hedging strategies, trade execution, reporting, and other considerations. The strategy for portfolio optimization focused on yield maximization and risk offloading through, among others, hedging strategies, derivatives, staking, trading, and insurance. The Committee, in connection with their advisors, are in continued communications with the Debtors' professionals to prepare a comprehensive coin management framework.

***Code 29 – Exchange Restart (686.8 hours)***

24. During the Application Period, FTI continued its analysis of the feasibility of a restart of the Debtors' exchange. This included review of the Debtors' pre-petition exchange products to determine their competitive position in the exchange market, research on governance and security considerations for a rebooted exchange, and initial development of a more sound risk model to monitor and hedge the positions of such an exchange. This work also included the preparation of detailed presentations to the UCC and its subcommittees.

25. FTI also provided analysis and recommendations regarding the reopening of the Debtors' Japanese exchange for withdrawals from customers. This included reconciliation of customer holdings and claims, evaluation of the impact of a reopening on a potential sale process, and communication with the Debtors' advisors regarding strategy and public relations approach.

**SUMMARY OF EXPENSES**

<b>Expense Type</b>	<b>Amount</b>
Electronic Subscriptions	\$ 6,493.91
Lodging	394.90
Transportation	650.55
Research	496.43
Working Meals	367.98
<b>GRAND TOTAL</b>	<b>\$ 8,403.77</b>

**VERIFICATION PURSUANT TO DEL. BANKR. L.R. 2016-2(g) AND 28 U.S.C. § 1746**

I, Matthew Diaz, pursuant to 28 U.S.C. § 1746, to the best of my knowledge and belief, and after reasonable inquiry, declare as follows:

1. I am a Senior Managing Director with the consulting firm FTI Consulting, Inc., together with its wholly owned subsidiaries (“FTI”). FTI has rendered professional services to the Official Committee of Unsecured Creditors (the “Committee”) in these Chapter 11 cases.
2. I have read the foregoing statement of FTI for compensation and reimbursement of expenses (the “Fee Application”). To the best of my knowledge, information and belief formed upon the basis of my participation in this case, as well as after reasonable inquiry, the facts set forth in the foregoing Fee Application are true and correct and materially comply with the applicable orders, rules, guidelines, and requirements as set forth by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, Del. Bankr. L.R. 2016-2, and the Executive Office for the United States Trustee.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the forgoing is true and correct, to the best of my information, knowledge, and belief.

Executed on: June 15, 2023

FTI CONSULTING, INC.

By: /s/ Matthew Diaz

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Financial Advisors to the Official  
Committee of Unsecured Creditors of FTX  
Trading Ltd., *et al.*